

ORIGINAL

E-00000A-21-0010

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Matthew J. Neubert
Executive Director
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission

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JUL 12 2021

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AZ CORP COMMISSION
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Dear Mr. Neubert:

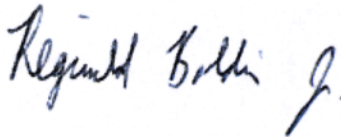
We received your June 11, 2021 request for comments on how to address the impacts that come from closing fossil-based power plants and associated mines in Tribal and rural communities. We understand that the Arizona Corporation Commission has directed Commission Staff to open Generic Docket E-00000A-21-0010 to collect public input on this issue. We also understand that Commission Staff will use these responses to provide recommendations to the Commission on how to proceed. Our responses are included below.

Across the country and in Arizona, coal-fired electric generation is declining. The economics of burning coal do not make sense anymore, even without factoring the cost of pollution. Meanwhile, renewable energy is booming. This is a good thing. But, as coal mines and power plants close, they leave behind communities – many of them rural and Tribal – that supported and relied on a coal-based economy. This can be devastating to people that supplied the electricity, heat, and water that our State depends on. A just and equitable solution would allow impacted Tribal and rural communities to transition away from coal while maintaining their economic and social way of life to every extent possible. Protections for Tribes are especially important to ensure against cultural damage and economic harm.

We urge Commission Staff to carefully consider the testimony and stories that members of impacted Tribal and rural communities submit. Without the help of these Arizonans, we would not have the resources that sustain our State. Their needs must not be taken lightly. Additionally, we urge Commission Staff to include a recommendation in their report that transition funds be used in a transparent and competitive way that doesn't trade one harm for another. An equitable and just transition must be economically and environmentally sustainable.

As you well know, the framers of our State's Constitution granted broad power to the Commission for the protection of the public. The Constitution gives the Commission plenary power to set rates and regulate how public service corporations conduct business. Ariz. Const. art. XV, § 3. But that is not all. The Constitution also grants the Commission permissive authority to regulate public service corporations "to preserve and protect public health, safety, convenience, and comfort." *Johnson Utilities, L.L.C. v. Arizona Corp. Comm'n*, 468 P.3d 1176, 1183 (Ariz. 2020). The Commission shares this authority with the Legislature, and this permissive authority only gives way when there is a conflict between a Commission regulation and statute. *Id.* at 1184. Otherwise, consistent Commission regulation and statute work concurrently to protect the health, safety, and welfare of the public. *Id.* at 1183.

As members of the Legislature, we encourage the Commission to use the full extent of its Constitutional authorities to enact regulations that properly meet the economic, environmental, and social needs of impacted Tribal and rural communities. As was stated by Legislative Republicans in their July 6, 2021 response to your letter, and the June 28, 2021 letter from the Governor's Office, the Legislature is not currently developing or drafting legislation to address harms to impacted Tribal and rural communities. Additionally, we know of no existing statute that would preclude the Commission from exercising its permissive authority in order to assure a just and equitable transition for impacted Tribal and rural communities. However, this is a complex issue that will require contributions from utilities, the Federal Government, and the State. It highlights why the most recent state budget was such a missed opportunity. Rather than draw down Arizona's billions of state surplus dollars to pay for irresponsible tax cuts favoring the wealthy, the State should help fund our responsibilities to impacted communities. The only missing element is the political will. We call on our fellow lawmakers, the Governor, and the Commission to work together with us to ensure a just and equitable transition for impacted Tribal and rural communities.



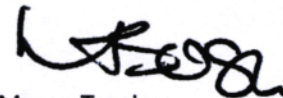
Reginald Bolding
State Representative, LD 27



Jennifer Longdon
State Representative, LD 24



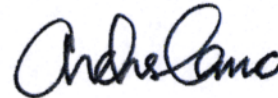
Domingo DeGrazia
State Representative, LD 10



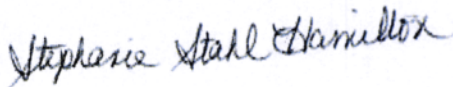
Myron Tsosie
State Representative, LD 7



Jasmine Blackwater-Nygren
State Representative, LD 7



Andres Cano
State Representative, LD 3



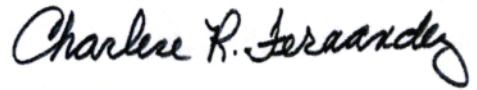
Stephanie Stahl Hamilton
State Representative, LD 10



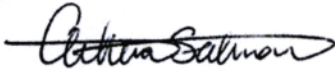
Aaron Lieberman
State Representative, LD 28



Andrea Dalessandro
State Representative, LD 2



Charlene Fernandez
State Representative, LD 4




Athena Salman
State Representative, LD 26



Judy Schwiebert
State Representative, LD 20



Cesar Chavez
State Representative, LD 29



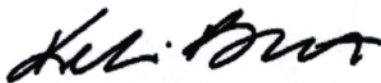
Diego Rodriguez
State Representative, LD 27



Raquel Teran
State Representative, LD 30



Mitzi Epstein
State Representative, LD 18



Kellie Butler
State Representative, LD 28



Melody Hernandez
State Representative, LD 26



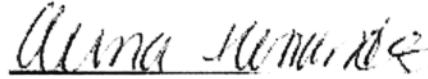
Randall Friese, MD
State Representative, LD 9



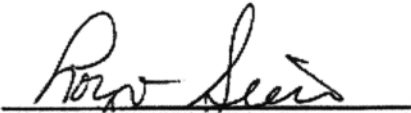
Jennifer Pawlik
State Representative, LD 17



Jennifer Jermaine
State Representative, LD 18



Alma Hernandez
State Representative, LD 3



Lorenzo Sierra
State Representative, LD 19



Daniel Hernandez
State Representative, LD 2



Diego Espinoza
State Representative, LD 19